

**CONTRACT CONCEPTS  
FISCAL YEAR 1997-98**

**CALIFORNIA MATERIALS EXCHANGE (CALMAX)**

**Concept Number:**

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**Requesting Party:** Waste Prevention & Market Development Division

**Amount:** \$50,000

**Fund:** IWMA

**Primary Staff Contact:** Jeff Hunts 255-2492

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**Description:** CALIFORNIA MATERIALS EXCHANGE (CALMAX)

The contractor will manage the production and distribution of the bimonthly CALMAX catalog. At a minimum, six issues of the CALMAX catalog will be produced for the fiscal year 1997/98. After a recent mailing list purge, approximately 5,000 catalogs are currently distributed for each issue. Because of increased reliance on the Internet and through planned yearly mail purges, it is anticipated that the cost of servicing a growing mailing list will not increase substantially.

The contractor will also encourage local jurisdictions to develop local materials exchange programs in California by providing training on how to establish a materials exchange and electronic access to regional listings from the CALMAX database.

The contractor will also coordinate CALMAX promotional activities, including the continued development of the CAL-MEX initiative, general promotion to trade associations, media, and local jurisdictions, and extensive promotion of CALMAX On-Line.

The contractor will assist staff in identifying and quantifying successful exchanges.

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**Supports Board Mandate:**

This proposal supports Board mandates contained in PRC 42600 and 42602, which include providing businesses with reuse and recycling information and opportunity and encouraging industry to participate in all phases of integrated waste management. Specifically, PRC 42600 mandates that the Board "...shall promote waste handling practices which reduce waste generation by business and industry." Working within the waste management hierarchy tier of waste prevention, CALMAX helps businesses find uses for materials that have been traditionally discarded.

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**History:**

FY 1997/98 will be the seventh year of CALMAX. CALMAX was established in 1991 and the first catalog was distributed in February 1992. The Local Government Commission (LGC) had been awarded the CALMAX contract each fiscal year since the inception of the program until FY 1996/97 when the low bid resulted in the

contract award to Phase Three Environmental Management (PTM).

The Board approved the 1994 CALMAX Expansion Plan that contained provisions for enhancing promotional efforts, upgrading electronic access to the CALMAX databases, and encouraging the establishment of local or regional materials exchanges (MiniMAXes). Additionally, the evaluation of the feasibility of "bringing CALMAX in-house" was to be undertaken.

While comprehensive funding necessary to enact the Expansion Plan was not allocated, work performed in the 1995/96 and 1996/97 contracts will ensure that many improvements are implemented.

CALMAX's Recent Fiscal History:

1995/96 (half year funding only) - \$69,019 contracted (out of \$75,000 budgeted), plus an additional, mid-term \$9,000 augmentation for the new "MiniMAX Summit" and "Internet Availability" initiatives;

1996/97 - \$135,640 (out of \$140,000 budgeted).

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**Benefit to the Board:**

**Pro:** The business sector generates approximately 60% of California's waste. Businesses are attempting to reduce their wastes and need assistance and encouragement. CALMAX has assisted businesses in diverting several hundred thousand tons of materials from landfills since 1991. CALMAX is a very popular program, and the continuation of CALMAX will ensure that a significant amount of wastes will be diverted from California's landfills.

**Con:** While staff are investigating alternatives and implementing efficiencies, failure to fund CALMAX at this level will make continuation of this popular and effective program difficult, specifically there will be no printed catalog and the program would be prematurely reduced to an Internet-only service. Discontinuation of CALMAX catalog would delete a highly visible business assistance program that showcases Board outreach, as well as remove an important tool for businesses to reduce waste and assist cities to meet AB 939's 50% diversion goals.

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**Budget Process:**

The \$50,000 funding request for CALMAX for the fiscal year 1997/98 represents a \$90,000 reduction from the 1996/97 funding level of \$140,000. This significant reduction from last year's allocation is partially a recognition of limited funds, but more importantly a direct result of previous investments and efforts made to increase efficiencies and reduce costs. These included:

1. bringing as many functions as feasible "in-house", such as the management of the program's database of material listings and mailing lists;
2. updating the CALMAX database format to be more compatible

with emerging distribution options;

3. instituting new electronic means of information dissemination, such as placing CALMAX listings on the world wide web;

4. providing funding for the contractor to train local jurisdictions interested in developing local materials exchange programs;

5. decreasing costs for postage and printing of the catalog by refining the distribution list and modifying the catalog format.

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Division Liaison

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Date

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Branch Manager

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Date

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Deputy Director

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Date

## **1-WPM-IWM**

### **The California Materials Exchange (CALMAX)**

Questions regarding the 1997-98 contract concepts. Answers prepared by K. Taylor, J. Hunts, B. Orr

#### **Q. Can costs be spread to other funds?**

A. Staff finds the idea of drawing CALMAX funding from sources other than general IWMA very appropriate, should that decision be made. Tire money in particular could be used to support CALMAX efforts since the program has several listings for tires both wanted and available. CALMAX staff currently cooperate with Tire Program staff to determine if listers of tires are in compliance with existing tire regulations. RMDZ money would also be an appropriate source of funding, since CALMAX is an excellent tool businesses use to find and secure recycled feedstock for manufacturing. Furthermore, the Kid-MAX portion of the CALMAX program could be supported by funds presently dedicated to the Schools Program.

Used oil money however, while limited in its administrative flexibility anyhow, would not be a compatible funding source since CALMAX is not intended to accept listings for wastes deemed hazardous, and used oil is presently defined as a hazardous waste in California.

Alternatively, and as a result of staff's efforts to bring many of the CALMAX functions "in-house", as well as other gains in efficiency such as using the Internet, additional contract funding relief could be realized if printing and postage funds were dedicated to the program internally. This would allow staff to use DGS/OSP services for catalog production and distribution rather than relying on a contractor.

#### **Q. Any progress towards mini-maxis?**

A. Probably the most important activity relating to mini-max or local material exchange development occurred at the Local Materials Exchange Round Table which took place on September 12, 1996. Over 25 persons from local exchange programs, local government, and other associated organizations attended this one day program. Many aspects of both material exchange programs (MAXes) and material exchange facilities (MEFs) were discussed, including the use of the internet and the World Wide Web as a tool for exchange programs, the respective roles of MAXes and MEFs, and the possibility of forming an 'association'.

While the outcomes of the Round Table discussions are being used to guide CALMAX's efforts, the success of CALMAX's internet site has somewhat altered the focus of the program's thinking towards the development of local materials exchange programs. Although CALMAX actively supports the establishment of these local programs, it realizes the fiscal constraints many jurisdictions are currently under. The current fiscal climate has caused many jurisdictions to reevaluate their priorities, often away from new or stand-alone programs.

Because of this situation, CALMAX has been promoting the use of the Board's web site, in particular the CALMAX pages, which can be used by local jurisdictions as a local materials exchange program without significant cost. Because of its ability to sort listings by region, many cities and counties have shown interest in the CALMAX web site as a ready-made exchange and are beginning to use it as a tool to help local businesses and organizations. CALMAX staff has continued to support existing local material exchange programs by posting their listings in the catalog and on the internet site. Staff also offers support to jurisdictions and/or organizations that are interested in developing materials exchange facilities (MEFs) by distributing a video and handbook previously developed.

Finally, while staff encourages local efforts to piggyback on CALMAX, CALMAX can effectively piggyback on local efforts. An example of this is type of activity is the City of Los Angeles, which is putting their logo on a new CALMAX brochure and sending it to local businesses as a part of the city's business outreach. This revised brochure highlights the CALMAX internet site, and is being distributed at essentially no cost to the program. The City of Los Angeles, with help from CALMAX, has also set up an inter-city materials exchange program modeled after similar efforts in Alameda County. Los Angeles has over 30 separate departments including a port and an airport which have a large variety of materials available.